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April 2, 2001

TO:

Minerals File

FROM:

Doug Jensen, Senior Reclamation Specialist

RE:

Site Inspection, North Lily Mining Company, Tintic Project, M/023/007, Juab County,

Utah

Date of Inspection:

May 2, 2001

Time of Inspection:

8:45 a.m. Windy, cool and rain

Conditions: Participants:

Elwin Ewell, North Lily; Larry Mize, DWQ; Doug Jensen, DOGM

Purpose of Inspection: Site evaluation prior to April 3 tele-conference

This was Larry's first visit to the site, so most of the ride was spent familiarizing him with the problems and successes encountered at North Lily.

We arrived on site at 8:45 a.m. and rode around the site so I could give Larry an overview of the area. We viewed the reclamation from above the heap near the topsoil storage area. I explained the drainage systems that we had put in place to prevent the heaps from being impacted by run-on water due to storm events. We looked over the entire area surrounding the site.

I explained to Larry the concept that I had in mind as to the final reclamation of the pond and process area. This included the utilization of the material which is stacked on the south end of the ponds.

We next looked at the area that had been stripped in anticipation of the installation of the fluid management system. The entire area that will be impacted by the system had been leveled. There was a large amount of material pushed into a pile on the north end of the application site and a much smaller pile on the south end. When the permit to construct is issued by DWQ, North Lily should be ready to start construction.

The new pump had been installed and the mister system was operating. The preg pond was down about a foot since my last visit. Elwin indicated that they had already pumped some water back into the system from the overflow pond. Walt had estimated that they pulled the overflow pond down about a foot already. The storm water that had been accumulating in the barren pond had also been removed. It was encouraging to see the water balance at the site start moving in a negative direction.

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The generator/storage shed had been torn down and the building material removed from the site. Inside the plant, Elwin had started to move the boxes of records down from the overhead storage area. He had moved down approximately two pallets and it looks like there is still three or four more pallets to move down. Elwin is using North Lily's traxcavator to lower the boxes to the floor.

We took a quick tour of the ponds to check conditions and levels. I showed Larry where both the temporary and the permanent gravity feed line for the infiltration system would be located.

The diesel tanks have not been removed from the site. All the process equipment still remains inside the process building. Elwin has removed most of his personal equipment from the process building; the pick-up still remains.

The inside of the building has been cleaned out enough that the tanks, filter presses and equipment could be moved out of the building in anticipation of removal of the building. I estimate that the planned salvage of this building will require a minimum of a couple of weeks to complete, depending on crew size. If this building is to be gone by the end of this month, cleaning out the building should begin.

We left the site for Salt Lake at about 10 a.m..

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Steve Flechner, NLMC Walt Shubert, NLMC Bob Bayer, JBR Dennis Fredericks, DWQ Larry Mize, DWQ Mary Ann Wright, DOGM Wayne Hedberg, DOGM M23-07-apr 2.ins